Special Report

Promotion 'carnival' gets serious

By Len Strazewski

Goody sweepstakes and contests, cheap plastic toys and giveaway deals — a carnival of cheap premiums and incentives — were designed with the hope that they would entice consumers to choose one product over another.

In the last 10 years, industry observers say, the carnival has changed into a war room. Strategic planning and research have replaced hopes and guesses — and most promotional programs are no longer unsophisticated — or cheap.

The sales promotion marketplace has grown to more than $100 billion, according to industry estimates, with consumer promotions alone totaling more than $25 billion. Within the consumer promotion category, manufacturers spent about $13.7 billion on sales incentive programs in 1987, according to a survey conducted by *Incentive Marketing* magazine, up 6.4% from 1986. The publication predicts a 8.6% increase this year.

As competition for consumer attention continues to grow, sales promotion experts confirm that manufacturers are spending more on incentives and other promotional activities, but are spending more carefully. They are replacing national promotions with regional campaigns and eliminating toys and gimmicks in favor of "value-added" premiums and product tie-ins that reflect the quality of the promoted products.

"Marketers are not just buying premiums anymore," explains Joseph P. Flanagan, president-director of sales promotion for Chicago-based Foote, Cone & Belding Communications' largest division and president of the National Council of Sales Promotion Agencies. "Everyone is thinking more strategically, targeting promotions to specific consumer audiences and developing more sophisticated strat-

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Len Strazewski is a Chicago-based free lancer and frequent contributor to Special Reports.

Promotion 'carnival' serious

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egies."

Sales promotion budgets are up 10% to 12% this year, he says, and companies are demanding more expertise from their sales promotion agencies and expecting their promotional agencies to work with their general agencies in a consolidated marketing effort. However, trade promotion spending is down as marketers switch their attention to consumer premiums and incentives "where they can see the impact of their dollars," Mr. Flanagan says.

According to the tenth annual Survey of Promotional Practices conducted by Stamford, Conn.-based Donnelley Marketing, a division of Dun & Bradstreet Corp., package-goods marketers spent 25.5% of their 1987 promotional budgets on consumer promotions, up slightly from 1986. Trade promotion spending declined to 39.3% of the whole from 39.8% and media advertising spending increased to 35.2% of the whole from 34.8% in 1986.

The survey showed that most consumer promotion techniques including premium offers, new-product sampling, direct couponing and money-back offers exhibited increases in usage among respondents between 1986 and 1987. Sweepstakes and contests, sales incentive mainstays for many years, seem to be on a serious decline, according to the survey. Sweepstakes fell from 72% in 1986 to 66% in 1987; contests declined from 40% to 38% last year.

"What we are really seeing here is the impact of research and technology," explains Richard Vincent, Donnelley director of marketing services. "Manufacturers are seeking the most lucrative portions of their market and then using the techniques that can specifically reach those consumers. That's where the real battleground is today."

Mr. Vincent says package-goods marketers are beginning to take advantage of the huge consumer databases that his company and others have developed over years of direct mail and total market coverage couponing and sampling.

The Donnelley database, for example, covers more than 79 million households or about 90% of the U.S. consumer market, according to Mr. Vincent.

"By using the database, manufacturers can target promotional activities as closely as they like: to specific ZIP codes, neighborhoods, households or even specific individuals within the households," he says.

As a result, manufacturers are choosing the kinds of promotional activities that work best when targeted well, such as coupons and product sampling.

Mr. Vincent also notes that the availability of good consumer data also has led manufacturers to become more regional in their marketing, focusing their efforts in on specific market areas, or in some cases, specific chains of stores.

"Marketers are now working with store management to develop specific demographic and psychographic profiles of their customers and then building promotions that specifically target those customers," he says.

Jeff McElnea, president of Einson Freeman, Paramus, N.J., agrees. "Manufacturers are beginning to run different promotions for different regions and different kinds of stores, depending upon consumer profiles," he says.

PepsiCo, for example, has three separate concurrent retail promotions handled by Einson Freeman, he says. With Dublin, Calif.-based Lucky Stores, Pepsi is running a promotional cash giveaway game with prizes ranging from $100,000 to free Pepsi. The target is a more general consumer.

Pepsi also is running a promotion with Clearwater, Fla.-based drugstore chain Eckerd Drug Co. that targets fe-

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Long-term trend of allocations to media advertising

Showing three-year reports for each survey

	Percent of total promotional dollars in each year											
	'76 %	'77 %	'78 %	'79 %	'80 %	'81 %	'82 %	'83 %	'84 %	'85 %	'86 %	'87 %
10th annual survey										36	35	35
9th annual survey									36	34	34	
8th annual survey								35	34	35		
7th annual survey							35	35	36			
6th annual survey						41	39	40				
5th annual survey					45	45	45					
4th annual survey				44	43	44						
3rd annual survey			44	41	40							
2nd annual survey		41	40	40								
1st annual survey	42	42	42									

Sources: Donnelley Marketing annual surveys for 1978 to 1987.

Long-term trend of allocations to consumer promotion

Showing three-year reports for each survey

	Percent of total promotional dollars in each year											
	'76 %	'77 %	'78 %	'79 %	'80 %	'81 %	'82 %	'83 %	'84 %	'85 %	'86 %	'87 %
10th annual survey										23	25	26
9th annual survey									27	28	29	
8th annual survey								27	30	30		
7th annual survey							23	26	27			
6th annual survey						20	24	26				
5th annual survey					22	25	26					
4th annual survey				19	22	23						
3rd annual survey			20	23	25							
2nd annual survey		20	22	25								
1st annual survey	19	21	24									

Sources: Donnelley Marketing annual surveys for 1978 to 1987.

Long-term trend of allocations to trade promotion

Showing three-year reports for each survey

	Percent of total promotional dollars in each year											
	'76 %	'77 %	'78 %	'79 %	'80 %	'81 %	'82 %	'83 %	'84 %	'85 %	'86 %	'87 %
10th annual survey										41	40	39
9th annual survey									37	38	37	
8th annual survey								38	36	35		
7th annual survey							41	39	37			
6th annual survey						39	38	34				
5th annual survey					33	30	29					
4th annual survey				37	35	33						
3rd annual survey			37	36	35							
2nd annual survey		39	38	35								
1st annual survey	39	37	34									

Sources: Donnelley Marketing annual surveys for 1978 to 1987.

Data bank — Premiums & Incentives

	1986	Percent change	1987	Percent change	1987 expenditures as percent of total
Sales incentives	$ 3,484,645	6.7%	$ 3,784,395	8.6%	$ 4,464,731
Merchandise	2,628,691	6.5	2,836,442	7.9	3,247,336
Travel	855,954	7.5	947,953	10.7	1,217,395
Dealer incentives	$ 2,346,799	5.3	$ 2,451,766	4.5	$ 2,538,066
Merchandise	1,532,474	5.2	1,612,521	5.2	1,660,814
Travel	814,325	5.6	839,245	3.1	877,252
Merchandise total	$ 4,161,165	6.0	$ 4,448,963	6.9	$ 4,908,150
Travel total	$ 1,670,279	6.5	$ 1,787,198	7.0	$ 2,094,647
Trade total	$ 5,831,444	6.2	$ 6,236,161	6.9	$ 7,002,797
Business gifts	$ 1,211,722	2.7	$ 1,293,247	6.7	$ 1,486,945
Consumer premiums					
Product promotion:	$ 3,685,931	1.6	$ 3,925,162	6.5	$ 3,925,162
• Mail-in offers	1,864,186	2.0	1,988,071	6.6	1,988,071
• Direct premiums	1,821,745	1.1	1,937,091	6.3	1,937,091
Retail promotion:	$ 2,411,000	−2.3	$ 2,512,990	4.2	$ 1,552,656
• Sweepstakes, games	(Tabulated		185,946		185,946
• Direct, trading stamps	differently		1,366,710		1,366,710
• Trade incentives, gifts	in 1986)		960,334		*
Consumer total	$ 6,096,931	—	$ 6,438,152	5.6	$ 5,477,818
Total usage	**$13,140,097**	**2.9**	**$13,967,560**	**6.3**	**$13,967,560**

Types of consumer promotions

Five year comparison of usage levels

Type of promotion	Percent of respondents in each year				
	1987	1986	1985	1984	1983
1. Couponing consumer direct	96%	91%	93%	95%	93%
2. Money back offers/cash refunds	87	85	85	81	83
3. Premium offers	74	58	79	82	82
4. Sampling new products	71	64	77	62	61
5. Cents-off promotions	69	70	78	64	66
6. Sweepstakes	66	72	77	73	78
7. Sampling established products	65	57	76	36	47
8. Couponing in retailers' ads	57	45	56	40	46
9. Pre-priced shippers	56	58	70	49	45
10. Contests	38	40	55	29	45

Source: Donnelley Marketing annual surveys for promotional practices for 1983, 1984, 1985, 1986, and 1987.

Promotion 'carnival'

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male heads of households. It features a Soap Opera Trivia game and the prize is a trip to Hollywood.

With the Central Islip, New York-based Waldbaum supermarket chain, the soft-drink company is not using a game at all, but cross-promoting with other products and offering weekly specials that include Pepsi.

"Instead of running a single national promotion, marketers are building arsenals of prefabricated promotional events for different types of retailers and regions," Mr. McElnea says.

As part of the emphasis on retail promotion, promotional delivery systems also are changing. More marketers are switching to point-of-purchase promotions and in-store or on-pack couponing, according to a survey by Summary Scan!, a division of the Advertising Checking Bureau in Chicago.

Summary Scan! monitors package-goods couponing and

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Every corner covered

When the Premium & Incentive Show first opened at the old 71st Regimental Armory at the corner of 34th Street and Park Avenue in New York in 1939, it was the first time promotion exhibitors had gathered in one place. The premiums displayed by no more than 50 exhibitors were largely confined to low-price ad specialties.

The introduction of radio into American homes had popularized sponsor premiums. A listener could send for Texas Ranger western equipment or Irene Weicker "Singing Lady" sheet music. Kids drank Ovaltine from Orphan Annie mugs and listened to Jack Armstrong, the "All-American boy," promote Wheaties.

World War II intervened, but the show—now produced by Thalheim Expositions—was reinstated in 1946 on the same site with 80 exhibitors. By the time the show moved to the site of the old Astor Hotel on Broadway in 1950, the number of exhibitors had tripled.

During the early 1950s, Superman came to TV and sparked a promotion boom. In post-war America advertisers began experimenting with home party systems. Children's premiums reflected changing lifestyles. Wheaties offered license plates and Sealtest offered cartoon characters on cottage cheese glasses.

During the 1960s the use of motivational marketing grew rapidly. In 1961 the show moved to the New York Coliseum where 400 exhibitors displayed a variety of involvement devices. Mobil moved into the premium area and found success running regionally oriented premiums. The use of supermarket register receipts and trade stamps grew in popularity. Esso introduced a game called Tigerino, a variation on an instant-win game. After 25 years at the Coliseum, the number of exhibitors almost quadrupled.

The show moved again when the new Javits Convention Center opened in 1986. Close to 2,000 exhibitors, about 200,000 products and more than 33,000 buyers are expected at this year's golden anniversary show beginning today. According to Jay Thalheim, chairman of Thalheim Expositions, Manhasset, N.Y., almost every name consumer product is represented. "There isn't a company that doesn't utilize an effective incentive program," says Mr. Thalheim. "You can't name a business today that doesn't have some type of incentive program."

—Amy Zipkin

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Promotion 'carnival'

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promotional activities in stores and major media for marketer clients.

"Manufacturers have come to realize that newspapers have become saturated as a marketing medium," says Summary Scan! Director Kermit Myers. "There are only so many FSIs that can be stuffed into a newspaper before they become lost. As a result, manufacturers are re-examining other media, such as point-of-purchase displays and packaging."

There has been an increased use of packaging as a medium for promotion, Mr. Myers says. "Manufacturers are now taking full advantage of their packaging to entice consumers. On any given day five years ago, Summary Scan! was finding 500 packages in the average grocery store with next-purchase coupons, sweepstakes offers, rebates and other promotions. Now we find more than 1,000. With so many consumers making purchasing decisions after they enter the store, the battle for their attention has intensified."

Mr. Myers also notes a dramatic increase in what he called "real value" incentives, including cents-off coupons, coupons in packaging and product bonus packs (offering more of the promoted product). These kinds of promotions accounted for 47.8% of all in-store promotions, an increase of 40% from 1986 according to the study. Another category of in-store promotion, introducing products as "new and improved," continues to be the most common promotion in stores, but also seems to be on the decline. These dropped from 37.2% of all in-store promotions in 1986 to 28.8% in 1987.

"This decline is significant, particularly in view of the number of new products that are introduced each year," Mr. Myers says. "It could signal an attempt by manufacturers to solve the credibility problem."

Marketers also are making changes at the trade promotion levels. Spurred by the documentable success of consumer promotions, manufacturers are re-evaluating their trade promotion budgets and programs and instituting controls that guarantee that the trade promotion funds translate into consumer incentives.

Although many experts believe that manufacturers are actually cutting back on trade spending and rechanneling the funds directly to chains of retailers, Bob Brown, chief executive officer of SPAR, the trade promotion tracking agency in Tarrytown, N.Y., says trade spending is about the same as previous years—about $20 billion. However, he says manufacturers are putting more restrictions on trade spending and demanding evidence of performance for continued funding.

"In the past, trade promotion was rather simple—discounts off invoice. Then, the savings was supposed to be passed on to consumers as a sales incentive," he explains. "But, by even a conservative estimate, at least half of that spending never made it to consumers."

Today, many manufacturers are linking their trade spending to specific marketing programs and demanding performance as measured by increased orders or penetration into new retail outlets, before committing their full budgets.

"Manufacturers are still willing to spend in the trade side, but they want to see the money being used; $10 billion a year is a lot of money to waste," Mr. Brown says.

Munchies

(Continued from Page S-5)
Food Marketing Institute show in May and the Consumer Electronics Show in June. The Fuji exhibits also included a sample display—a pre-pack shipper with 60 videocassettes, take-one pad and a header that offered consumers "$20 Free Nestle Candy When You Buy Fuji Videocassettes." Like Fuji, Nestle used sell-sheets to promote the program to its sales force.

Brian Miller, product manager-consumer video products, Fuji Photo Film USA, says, "We've done tie-ins before and think they're really a good way to go."

Through their combined efforts, Mr. Miller explains, "we managed to place POP in 12,000 outlets. The promotion gave us something different in the marketplace ... We wanted to create a promotion that would offer real value to consumers. We think a tie-in has a more lingering effect on consumers than rebates, which, in our industry, have become less of a promotion tool and more of a condition of doing business."

A spokesperson for Nestle says the tie-in with Fuji videocassettes provided Nestle with an opportunity to team up with a quality product and extend its association as a theatrical candy to one associated with watching films at home.

Mr. Kallet says the promotion resulted in overwhelming trade acceptance and a level of floor-display placements that was well above average. "Significant redemption levels also indicated strong consumer pick-up," he says.

F-P, P&G connect

'It was important to build increased awareness of Fun With Food without sacrificing an [item] a toy retailer could sell'

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manager and now senior manager-business planning and development; Peter Hall, Fun With Food assistant marketing manager; and Ed Powderly, senior marketing manager. The initial proposal was presented to Edward Liebzeit, manager of P&G's sales merchandising department.

Fisher-Price executives suggested a tie-in with P&G's Fall Baking Bonanza, an event it runs every fall to promote its Duncan Hines and Crisco products. The focal point of the promotion would be a unique Fisher-Price consumer premium, which would be offered free with proofs of purchase from selected P&G brands.

This custom-made Fun With Food Baking Set, valued at $10 retail, would include Duncan Hines and Crisco toy packages along with cooking utensils, toy cupcakes with removable "frosting," and other colorful items designed to introduce consumers to Fun With Food.

This promotion was launched in September 1987 and ran through November—in time to influence consumers' holiday gift purchases. The Fun With Food Baking Set was offered free by mail to consumers with five proofs of purchase from Crisco and Duncan Hines products, plus $2 postage and handling.

In selecting an appropriate premium, Mr. Davidzik notes, "It was important to promote our product line and build increased awareness of Fun With Food without sacrificing an [item] that a toy retailer could sell. It was also important to provide Procter & Gamble with something special that no one else had."

Included in the baking set box was an in-pack rebate form that consumers could use to save $2 on the purchase of a Fisher-Price top-of-the-line Fun With Food Kitchen Center, or $3 on any four of 18 Fun With Food products (ranging from Bacon & Eggs and Burger Deluxe foods to a Whistling Tea Kettle Set and Golden Glow Toaster Oven).

Consumers were introduced to the promotion through announcements in Quad/Marketing free standing inserts, which reached a circulation of more than 48 million on Sept. 27. The Fun With Food offer was showcased on the insert's front cover, along with another Fisher-Price/P&G tie-in, which offered free Fisher-Price Children's Educational Flash Cards to the first 500,000 consumers who mailed in proofs of purchase from any two Tide, Dawn or Cascade products.

The Fun With Food promotion was further supported by TV spots for Crisco and Duncan Hines that called attention to the Baking Set premium. The TV spots, created by P&G agency N W Ayer, ran September and October.

In addition, Fisher-Price supported its Fun With Food product launch with a multimillion dollar TV campaign created by Backer Spielvogel Bates along with print advertising in women's magazines. In a marketing environment where most toys do not last more than a year or two, Mr. Davidzik says that Fisher-Price aimed to achieve long-term growth in the highly competitive preschool basics category by advertising the Fisher-Price brand name and positioning its food toys and accessories as "realistic, safe, imagination, stimulating and creative."

Fisher-Price introduced the P&G tie-in to the toy trade with an oversize box emblazoned with the words "An offer with strings attached" on the cover. When retailers opened the box, they found a Fisher-Price apron imprinted with the Fun With Food logo. The box also contained a photo of the Fun With Food Gift Set "ingredients" placed on a kitchen table next to actual Crisco and Duncan Hines products.

The trade premium box was delivered with a sample of the consumer premium to toy retailers, whose outlets run from toy supermarkets and mass merchandisers to department, discount, catalog and toy stores.

P&G used the Fisher-Price Fun with Food Kitchen Centers as dealer loaders/in-store sweepstakes prizes to encourage retailers to build large grocery displays. More than 12,000 supermarket displays featured the Fun With Food Kitchen Center.

Fisher-Price's marketing research department reported that after the promotion, awareness of Fisher-Price as a marketer of kitchen toys increased by 18% and awareness of the Fun With Food brand name increased by 15%.

Mr. Davidzik says that all parties involved were pleased with the response. Requests for the free Fun With Food Baking Set premium exceeded original projections by over one-third. The toy trade benefited from additional retail exposure in a high-traffic environment and the chance to encourage consumers to sample the experience of Fun With Food without having to sacrifice actual product sales for the premium promotion.

Managing editor Cecelia Reed coordinated this report on Premiums & Incentives.

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Chewing the fat

Thompson rejuvenates diet gum

By PATRICIA WINTERS

Thompson Medical Co. has repackaged and repositioned its oldest diet product, Slim-Mint gum, and next week will break the first new advertising on the brand in 20 years.

The new spot, backed by about $6 million in network TV spending, uses a campy style and the popular 1960s song "Rescue Me."

In the opening scene, a young businesswoman is speaking on the phone in her office when a dessert cart overflowing with cakes appears from out of nowhere. In all the scenes, dieters control themselves with a stick of Slim-Mint.

Grey Advertising, New York, which became a Thompson agency last year, handles.

The campaign is dramatically different from Thompson's longstanding "Control your appetite" campaign for diet-aid leader Dexatrim diet pills.

"The act of taking diet pills involves a serious, rational, somewhat emotional decision," said Kelly Kaplan, Thompson senior product manager. "Gum is a lot less threatening, and we can be a bit more playful."

Ms. Kaplan said the company is considering a print campaign, too.

Thompson also aims to expand its leadership position in the $185 million diet-aid category, which has seen sudden growth and new competition. Thompson holds more than a 50% market share with its Dexatrim and Slim-Fast meal replacement brands.

> *"Gum is a lot less threatening [than diet pills], and we can be a bit more playful."*
>
> **—Kelly Kaplan Thompson Medical Co.**

Slim-Mint will compete directly with Plough Inc.'s Stay Trim gum, introduced in August. The unit of Schering-Plough Corp. is backing Stay Trim, which comes in three flavors, with a $12 million campaign from Della Femina, Travisano & Partners.

Stay Trim is said to have gained $5 million to $8 million in sales since January, and Plough says the product "has exceeded its expectations."

Easy and convenient products such as gum and meal replacements are seen as the future of the category, Ms. Kaplan said. For instance, the Slim-Fast meal replacement is so successful that Thompson is considering line extensions.

In addition to new emphasis on Slim-Mint and Slim-Fast, also handled by Grey, Thompson recently began airing new network TV spots for Dexatrim, via Laurence, Charles, Free & Lawson.

The spots still use testimonials from people who have lost weight with Dexatrim, but they also stress a study showing the pills don't cause nervousness or jitters. Ms. Kaplan said that's important since many people don't use diet aids because of negative publicity about drugs like phenylpropanalamine, the active ingredient in Dexatrim.#

Ad jobs

(Continued from Page 3)

Bowen noted, to staff the newly won Paramount Pictures Corp. and Denny's restaurant accounts.

Agency executives are also concerned that these leaner agencies may not be producing high-quality advertising.

"I think it's having an impact on the work," one agency chief said. The critical test is whether any change in the quality of the advertising produced affects sales.

The number of top 10 agency employers reporting job declines—seven—in the November-to-March period is the same as in a similar AD AGE survey covering job trends during the first nine months of 1987 (AA, Nov. 16).

Reported job count drops were biggest at J. Walter Thompson USA (178), reflecting in part the loss of its $200 million Burger King Corp. account, and Grey Advertising (156), reflecting the sale of the Chicago office to GGK, Basel, Switzerland. They were followed by DMB&B (56); Ogilvy & Mather U.S. (53); Young & Rubicam (50); Bozell, Jacobs, Kenyon & Eckhardt (6); and Saatchi & Saatchi DFS (5).

Reported job count gains were led by Burnett (134), which was followed by McCann (112) and FCB (108).

Moving up in the new survey's rankings are Burnett, to the fourth-largest employer of advertising workers from sixth in last year's survey; McCann, which joined the top 10 in seventh place after its acquisition of Geers Gross, New York, last November; and Saatchi & Saatchi DFS, which moved to ninth from 10th.

Moving down were O&M, to third from second (reflecting in part restated employment figures for 1987); Grey, to fifth from fourth; JWT, to sixth from fifth; and DMB&B to 10th from ninth. DDB Needham Worldwide, which ranked as the ninth-largest pool of advertising and advertising support jobs in last year's survey, fell out of the top 10 based on Jan. 1 job count figures it supplied and AA estimates of subsequent further trims that dropped its job total to about 1,580 in March from 1,705 last October.#

For the Record

WCRS GROUP, London, has received the French finance minister's approval to buy a 50% interest in SGGMD, Paris, the leading European independent media-buying group. The transaction includes an initial payment of $121 million. Saatchi & Saatchi Co. had unsuccessfully sought a majority stake in SGGMD.

INTERPUBLIC GROUP OF COS., New York, reported that first-quarter net income rose 21.4% to $6.66 million from a year ago. Gross income rose 19.9% to $242.8 million.

PROCTER & GAMBLE CO. announced third-quarter net income jumped 39.8% to $263 million while sales rose 15% to $4.86 billion compared with one year earlier. For the nine months ended March 31, net income rose 35% to $880 million while sales increased nearly 12% to $14.36 billion. Separately, P&G is running a limited-time national promotion for its new Posh Puffs facial tissues supported by couponing and point-of-purchase. N W Ayer, New York, handles.

ARBY'S this month starts offering "Daylight Savings Deal" promotions that cut prices after 5 p.m. to increase dinner business. The chain also is introducing Curly Fries. Newspaper, point-of-purchase, radio and TV support. W.B. Doner & Co., Baltimore, handles.

THE FEDERAL TRADE COMMISSION last week ordered Volkwagen of America to place prescribed ads in national magazines about an arbitration program to handle complaints. The program is for owners of 1974-79 Audis and VWs with oil consumption-related problems.

COCA-COLA BOTTLING CO. OF CHICAGO last week began a local radio campaign promoting Coca-Cola as a morning beverage, the first major Northern market in which the company has tested the pitch. McCann-Erickson, New York, created the 60-second spots; Montgomery Zuckerman Davis, Chicago, handled media buying.

WPP GROUP, London, has bought EWA, a data-base management company. The deal involves an initial payment of $9 million plus subsequent payments that could bring the total price to as much as $41.3 million.

AMERICAN ASSOCIATION OF YELLOW PAGES PUBLISHERS and **National Yellow Pages Service Association** plan to merge into the Yellow Pages Publishers Association. The groups' boards are expected to vote on the merger proposal by mid-May.

THE U.S. FOOD & DRUG ADMINISTRATION is expected to decide by yearend whether to allow nutritional labeling on grocery store shelves. An agency official said the FDA will review experiments it's done with possible package-labeling alternatives before making any changes.

SAATCHI & SAATCHI CO., London, bought National Research Group, a Los Angeles-based supplier of market research services to the movie industry, for up to $10.3 million, including an initial payment of $2.3 million.

LORILLARD last week sold its chewing tobacco and little cigar brands for $67.5 million to National Tobacco Co., a majority of which reportedly is owned by Shearson Lehman Hutton. Brands included in the sale all are handled by Saatchi & Saatchi DFS Compton, New York.

CHICAGO SUN-TIMES last week failed in its initial bid to block rival *Chicago Tribune* from printing the winning numbers in a *Sun-Times* contest. An Illinois circuit judge said the contest is a newsworthy event.

PABST BREWING CO. has dropped its libel suit against *The Seattle Times*, with both sides agreeing to pay their own legal costs. The suit followed a July 1987 editorial cartoon showing a beer can with the label "Hanford" and Olympia beer's slogan "It's the water." The cartoon followed stories about ground water contamination near the Hanford nuclear reservation.

THE DEMOCRATIC NATIONAL Convention Committee has hired Smith-Hemion, a Hollywood, Calif., production company, to produce and stage its convention in Atlanta July 18-21.

NEW CAMPAIGNS: **Marriott Corp.** this month breaks a $1.5 million magazine campaign for its 18 resorts in Barbados, Bermuda and the U.S. Fitzgerald & Co., Atlanta, handles. . . . **BMW of North America** shows off its luxury 7-series models in commercials that broke last week via Ammirati & Puris, New York. . . . **Airwick Industries** last week broke a national TV campaign for new Soft Scent from Carpet Fresh. Drossman Lehmann Marino, New York, handles. . . . **DoveBar International's** TV campaign for its original and new 4-ounce ice cream bars is running in 10 spot markets. Leo Burnett USA, Chicago, handles, though DoveBar expects to move the account later this year. . . . **Grandy's**, a 200-unit restaurant chain in 20 states, breaks a new TV campaign today via the Richards Group, Dallas.

ACCOUNT ACTIVITY: **Softsoap Enterprises Co.**, Chaska, Minn., is reviewing Twin Cities agencies for project work on Softsoap liquid soap. Industry sources say shops in the pitch include Colle & McVoy, Bloomington, Minn., and Lacey LaMaster Nelson Farmer, Minneapolis. Bozell, Jacobs, Kenyon & Eckhardt remains agency of record on the estimated $1 million-plus account. . . . **Coca-Cola Foods**, Houston, to **Anderson/Rothstein**, San Francisco, from Lowe Marschalk, Houston, now defunct, for its foodservice products group account. . . . **Pebble Beach Corp.**, Pebble Beach, Calif., to **J. Walter Thompson USA**, Detroit, as first agency for its resort facilities. . . . **Jos. E. Seagram & Sons**, New York, to Wells, Rich, Greene's **The Image Group**, from DDB Needham Worldwide for its Jameson Premium Irish whiskey. WRG already handles Herradura tequila and an undisclosed product in test.

WORTH NOTING: **David Ogilvy**, 76, retired founder of Ogilvy & Mather, cited ill health in withdrawing as a speaker at the World Federation of Advertisers meeting in London next month (AA, April 25). . . . **R. Wesley McDonough**, VP-advertising, Hills Department Stores, Canton, Mass., was named Advertising Retailer of the Year by the International Mass Retail Association. . . . **MCA** and **King World Productions** will contribute $10 million each for a joint venture to produce broadcast network, cable network and first-run syndication TV series. . . . **Cahners Publishing Co.** will publish a quarterly Chinese edition of *Electronic Business* in a joint venture with the Chinese Technology Information Institute. . . . **Kraft** is testing Kraft 100% Natural String Cheese in Seattle. Leo Burnett USA, Chicago, handles.

NOTE

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